

8 February 1971

SUBJECT: AID Support for CIA Programs in Laos

1. The GAO investigations of the AID program in Laos at the direction of Senator Edward M. Kennedy, Chairman of the Subcommittee on Refugees and Escapees, has focused attention on AID support of the paramilitary forces and their dependents under the AID Public Health and Refugee Relief programs in Laos. AID has provided medical assistance and refugee relief through the public health and refugee assistance program in Laos to PM forces and their dependents since the CIA PM program began in Laos in 1960. The GAO audit of these programs during the summer of 1970 and Senator Kennedy's recent statement have focused attention on this support.

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2. The total budget for the USAID public health and refugee relief programs, which USAID proposes to fund as cost shared programs, is [ ] for FY 1971. Following is the USAID cost breakdown by agency based on program responsibilities:

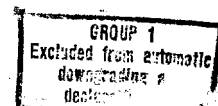
CIA, [ ] Department of Defense, [ ] and AID, [ ] As of 1 February, CIA assumed full responsibility for providing medical kits to PM forces thus reducing the CIA portion of the cost by [ ] The remaining [ ] represents the cost of medical commodity support to PM dependents at hospitals and dispensaries, thirty percent of USAID medical personnel staff time which is devoted to PM dependents, local currency costs for third country national medical staffs, hospital construction costs and medical facilities at Vang Vieng (Site 272, a refugee area southwest of Long Tieng), and air costs for the delivery of medical commodities and the movement of medical personnel.

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USAID review completed

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3. Since September 1970, we have been discussing with AID which agency should fund the medical and refugee expenses. This discussion includes a division of FY 71 costs and the programming for FY 72. As noted in paragraph 2, CIA has assumed the responsibility for the medical kits. Our respective legal counsels are now trying to reach an agreement as to who should pay for medical support and refugee expenses to PM forces and their dependents.

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## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

CFE

EXTENSION

NO.

DATE

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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*OLC (Mr. Manning)*

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